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CENTRAL INTELLIGENCE AGENCY

13 August 1948

TOP SECKET According to ORE 47-48

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## CONSEQUENCES OF THE WITHDRAWAL OF UNITED STATES FORCES FROM TSINGTAO

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- 1. There has been no substantial change in the situation in China with respect to Tsingtao since the publication of ORE 47-48, 23 June 1948.
- 2. Certain modifications or supplementary points which should be given consideration in a present reading of ORE 47-48 are given below:
  - a. The position of the National Government is somewhat weaker than in June. Therefore, there is increased likelihood that US withdrawal from Tsingtao might touch off a chain of events resulting in the collapse or overthrow of the Covernment.
  - first week of August were an estimated total of 300,000 Communist troops, and 180,000 Nationalist troops. Of the Communist troops approximately 180,000, including the better quality troops, were concentrated in the Tsinan ares, some 180-200 miles from Tsingtao. It is improbable that the Communists could assault Tsingtao successfully unless the bulk of these troops were moved, along the rail line, to Eastern Shantung. Such a redeployment would probably require a month's time and could harely occur without detection.
  - c. The steadily advancing disintegration of the National Government gives added significance to the point mentioned on page 2, paragraph 1 b: "By keeping a roothold in Tsingtao the US could maintain contact and give support to non-Communist de facto independent regimes which might emerge in North China as the power of the National Government declines."
  - d. War weariness has increased the possiblity of a negotiated peace, a point not given consideration in ORE 47-48, but treated separately in ORE 12-48, 3 August 1948. While a peace agreement between the National Government and the Chinese Communists is unlikely in the immedate future, this does not preclude cessation of hostilities in particular areas as a result of agreements between local commanders. In regotiations either on a national or local scale (Shantung), the Chinese Communists might seek US withdrawal from Tsingtao among their terms.

NOTE: This paper has not been coordinated with the intelligence organizations. This document this dean transfer of State, Army, Navy, and the Air Force. approved for release through

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Date 21 Jul 92

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